

Message Text

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PAGE 01 ISLAMA 06951 071206Z
ACTION XMB-04

INFO OCT-01 NEA-10 ISO-00 EB-07 COME-00 TRSE-00
CIAE-00 INR-07 NSAE-00 /029 W
-----085462 071212Z /46

R 071050Z JUL 77
FM AMEMBASSY ISLAMABAD
TO SECSTATE WASHDC 2696
INFO AMCONSUL KARACHI

UNCLAS ISLAMABAD 6951

E.O. 11652: N/A
TAGS: EGEN, PK
SUBJ: EXIMBANK FINANCING FOR 747 (SR) AIRCRAFT FOR PIA

REF: STATE 153174

1. PIA TRAFFIC HAS EXPANDED RAPIDLY IN RECENT YEARS, AND WE HAVE KNOWN FOR SOMETIME THAT THE AIRLINE HAS BEEN INTERESTED IN AT LEAST ONE ADDITIONAL JUMBO JET. RUMORS CIRCULATE PERIODICALLY OF STRONG EFFORTS BY THE FRENCH TO SELL THE A300, AND OUR DISTINCT IMPRESSION IS THAT NO DECISION HAS YET BEEN MADE ABOUT WHICH JUMBO TO BUY FOR PIA.

2. PIA'S FINANCIAL POSITION HAS STRENGTHENED IN RECENT YEARS. FY77 OPERATING PROFIT IS ESTIMATED AT DOL\$5.1 MILLION, ABOUT 24 PERCENT INCREASE OVER FY 76 FIGURE.

3. AS DEPT IS AWARE EXIM HAS SUPPORTED PIA'S PURCHASE OF SEVERAL DC10S. OUR RECOLLECTION OF THE MOST RECENT DC10 TRANSACTION IS THAT EXIM WAS CONCERNED ABOUT PIA'S HEAVILY LEVERED OFFICIAL STRUCTURE. EXIM WILL PRESUMABLY HAVE TO RESOLVE THIS ISSUE WITH PIA IF IT IS STILL A MATTER FOR CONCERN.

4. EXIM'S MAJOR CONCERN ABOUT PAKISTAN, OF COURSE,
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HAS BEEN THE BALANCE OF PAYMENTS SITUATION. IN THIS INSTANCE, WE BELIEVE THAT THE PROPOSED TRANSACTION WOULD CONTRIBUTE TO PIA'S ABILITY TO INCREASE ITS FOREIGN EXCHANGE EARNINGS. MOREOVER, SINCE PIA IS LIKELY TO PURCHASE ANOTHER JUMBO JET IN ANY CASE, WE HAVE STRONG REASON FOR SUPPORTING THE US MANUFACTURER. CONGEN KARACHI SUPPORTS THIS ASSESSMENT.

HUMMEL

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: FINANCIAL PROGRAMS, AIRCRAFT SALES
Control Number: n/a
Copy: SINGLE
Sent Date: 07-Jul-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01-Jan-1960 12:00:00 am
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977ISLAMA06951
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770241-0305
Format: TEL
From: ISLAMABAD
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770784/aaaacurw.tel
Line Count: 63
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 2069a66f-c288-dd11-92da-001cc4696bcc
Office: ACTION XMB
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: 77 STATE 153174
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 09-Nov-2004 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 1941086
Secure: OPEN
Status: NATIVE
Subject: EXIMBANK FINANCING FOR 747 (SR) AIRCRAFT FOR PIA
TAGS: EGEN, PK, PIA, PAKISTAN INTERNATIONAL AIRWAYS, XMB
To: STATE
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/2069a66f-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009